REMARKS

Presently, claims 1-10, 12-18, 60, 62 – 65 and 68 – 105 are pending in the application. Claims 66 – 67 have been canceled. Claims 13, 62, 68, 80 and 98 have been amended to correct formal matters noted by Applicants. Claim 60 has been amended. Support the amendments to independent claim 60 may be found, for example, in canceled claims 66 and 67. Accordingly, no new matter has been added to the application by the foregoing amendments.

Discussion of the prior art references and the pending claims may be found in Applicants' Amendment Accompanying RCE, filed September 22, 2006 ("First RCE Amendment"), Applicants' Request for Reconsideration, filed May 29, 2007 ("Reconsideration Request") and Applicants' Amendment Accompanying RCE, filed October 26, 2007 ("Second RCE Amendment"), all of which are incorporated herein by reference.

No Prima Facie Obviousness

Applicants respectfully submit that the Examiner has not established a *prima facie* case of obviousness in the rejection of claims 1, 2, 7, 8, 10, 12 – 18 and 60 and 62 – 93 and 97 – 105 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,698,020 to Zigmond *et al.* ("Zigmond") in view of U.S. Patent Publication No. 2003/0200128 A1 Doherty ("Doherty"). For at least the reasons set forth below, this rejection is respectfully traversed.

1. The Combination of Zigmond and Doherty Does Not Teach or Suggest All Claim Elements

When making a rejection under 35 U.S.C. § 103, the prior art references, when combined, must teach or suggest all of the claim limitations. *See* MPEP 2143.03.

Applicants respectfully submit that the combination of Zigmond and Doherty, even if proper, fails to teach or suggest all of the features of the independent claims.

Applicants again disagree with the Examiner's assertion at page 2 of the Office Action that Applicants have argued against the obviousness rejection by attacking the references individually. Rather, Applicants have pointed out that the references do not teach or suggest certain features as contended by the Examiner, and, therefore, cannot possibly teach or suggest such features when combined as proposed by the Examiner.

Zigmond Does Not Teach or Suggest "selling specific slots"

In the Office Action the Examiner continues to insist that Zigmond teaches the concept of selling "specific slots", citing both column 8, lines 22 – 29 and column 14, lines 17 – 21 (Office Action, pg. 6). The Examiner argues that an advertiser's ability to make a selection relative to another ad, "qualifies as a 'specific' spot as it is an explicit declaration on the desired display." (Office Action, pg. 3 – 4).

Applicants respectfully submit that, although advertisers in Zigmond have the ability to influence when their ads are displayed, it is Zigmond's system itself – not the advertisers – that determines which ad is selected for display. That is, just because an advertiser submits criteria that its ad be displayed after (or near) a competitor's ad, there is no guarantee that the advertiser's ad will be selected as desired. Even if an advertiser in Zigmond wants to select a particular ad relative to the content of the previously displayed ad, such disclosure does not mean that the advertiser in Zigmond *purchases a specific slot or location*. Rather, Zigmond's system will make an appropriate ad selection *based on the available ads and criteria*. This hardly constitutes the ability of an advertiser to purchase a "specific slot" as contended by the Examiner.

Furthermore, in Zigmond, it would be impossible for an advertiser to purchase a specific slot, since Zigmond's system is premised on the application of ad selection criteria to determine which advertisement is displayed relative to the content of the previous advertisement. The mere teaching of a "contractual relationship" in Zigmond has no bearing on whether a particular slot is sold or not. In fact, the notion that the

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advertisers in Zigmond purchase a certain number of display instances or contract for display during a certain program is indicative of the advertiser <u>not</u> being able to purchase a specific slot, but rather, Zigmond's system making the determination as to which advertisement is inserted at which particular point.

Therefore, the ability to purchase specific slots for advertisements is directly contrary to the teachings of the ad insertion device and ad selection criteria on which Zigmond is premised. Accordingly, when combined with Doherty, there cannot possibly any teaching of "<u>selling specific queue slots</u>" or "queue locations", as recited in Applicants' independent claims.

Zigmond Does Not Teach or Suggest "selling specific slots based on a repetition rate"

With respect to amended independent claim 60, Applicants respectfully submit that Zigmond does not teach or suggest the concept of "...identifying a <u>repetition rate</u> <u>specified by an advertiser</u>, wherein the repetition rate represents spacing between queue slots relative to previous queue slots in the queue, and <u>selling specific queue slots to the</u> <u>advertiser based at least partially on the specified repetition rate</u>..." In rejecting dependent claim 67 (now canceled) where support for these concepts is found, the Examiner points to column 13, lines 40 – 45, of Zigmond. However, Applicants respectfully submit that Zigmond merely teaches the ability to track the number of times an ad has been displayed and/or to take action if a limit has been exceeded. Zigmond is completely silent with respect to selling specific queue slots based on a repetition rate that represents spacing between slots in the queue, as recited in independent claim 60.

Doherty Does Not Teach Selling Specific Slots in a Queue

The Examiner relies on Doherty for the proposition that, "locations in the ordered list are sold to advertisers...and wherein the sold locations at least partially determine the order of the ARLs in said ordered list," citing paragraphs 40, 46, 48 and 49 of Doherty. The Examiner thus seemingly suggests that, because Doherty teaches a queue or an ordered list of advertisements and a priority profile to determine which ad to display at

any given time, Doherty therefore teaches that locations in Doherty's queue are sold to advertisers.

However, these portions of Doherty simply teach that an advertiser has the ability to influence when an advertisement is displayed, by altering the "advertising premium", which in turn affects the "priority profile". Thus, Doherty certainly does not teach or suggest selling specific queue slots to advertisers. In traditional ad display schemes (such as Doherty), it is the opportunity to have one's advertisement displayed to consumers that is sold – not the sale of specific queue slots or locations. Accordingly, Doherty does not teach or suggest the sale of queue locations, as argued by the Examiner.

Combination Does not Teach "insertion in accordance with the ordered list"

The proposed combination of Zigmond and Doherty does not teach or suggest that, "the sold specific queue slots at least partially determine the order of the ARLs in said ordered list." As discussed herein and in previous Amendments, Zigmond teaches that advertisement selection occurs on the fly, at the time (or just prior to) insertion of the ad. This determination – made by Zigmond's system – is made based on ad selection criteria, including the content of the previous displayed ad (see, for example, Fig. 6 of Zigmond). If Doherty were to be combined with Zigmond as proposed by the Examiner, the alleged "queue" in Zigmond as modified by Doherty would not have the ability to insert ads "in accordance with the ordered list" because the queue (i.e., the ordered list) would not have been created yet. Stated differently, in the proposed combination the selection of ads occurs after the previous ad is shown. As such, it would be impossible in the combination of Zigmond and Doherty for the "sold specific queue slots" to determine the ordered list (and thus the order of insertion) since the combination of Zigmond and Doherty necessarily requires waiting until after the previous ad to determine the next ad to be inserted. As such, the proposed combination does not teach or suggest the features of independent claim 1 as contended by the Examiner.

Proposed Combination Does Not Teach "selling specific queue slots"

As set forth in the Declarations of the Charles A. Eldering and Bernardo Paratore submitted with the Second RCE Amendment, and in view of the foregoing, the combination of Zigmond and Doherty, even if proper, fails to teach or suggest all of features of independent claim 1. Specifically, the combination of Zigmond and Doherty does not teach or suggest "selling specific queue slots, wherein the sold specific queue slots at least partially determine the order of the ARLs in said ordered list." As discussed above, none of the applied references teaches or suggests the concept of selling specific slots generally or in a queue. Thus, the combination of Zigmond and Doherty is also lacking at least this feature.

Even if Doherty's schedule is incorporated into Zigmond's system, **it cannot be inferred from such a combination – nor would it have been obvious to one skilled in the art – that *specific slots* would be sold at all, let alone specific slots in the included schedule or queue**. The Examiner is simply not entitled to assume that there would be any modification of Zigmond's ad selection system to permit the sale of specific slots simply because Doherty's schedule is now resident in Zigmond's system. Accordingly, Applicant respectfully submits that the combination of Zigmond and Doherty does not result in all features of the claims.

The Claimed Invention Resulted from Long-Felt Need

As set forth in MPEP §716.04, long-felt need and failure of others is a relevant factor in considering non-obviousness of a claim. The Declaration of Charles A. Eldering, submitted with the Second RCE Amendment, explains that the claimed invention is not disclosed in the prior art and would not have been obvious to those skilled in the art, in part because the claimed invention fulfills a need unmet by the prior art and the advertising industry at the time of the present application. Accordingly, Applicants respectfully submit that independent claim 1 is non-obvious over the proposed combination.

2. Combination of Zigmond and Doherty is Improper

In KSR, the Court stated that it was "important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the [prior art] elements" in the manner claimed. *KSR Int'l Co. v. Teleflex Inc. 127 S. Ct. 1727 (U.S. 2007)*. The Court noted, "[t]o facilitate review, this analysis should be made explicit." *See KSR*. It is important to determine whether there was an "apparent reason to combine the known elements in the fashion claimed by the patent at issue." *See KSR*. Therefore, the Examiner must identify the reason(s) why a person of ordinary skill in the art would have combined the prior art elements in the manner claimed.

Proposed Combination Renders Zigmond Inoperable

Perhaps most importantly, the inclusion of Doherty's schedule in Zigmond would effectively change the mode of operation of Zigmond, rendering Zigmond inoperable. If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious. *See In re Ratti*, 270 F.2d 810, 123 U.S.P.Q. 349 (C.C.P.A. 1959); MPEP § 2143.01. Modifying Zigmond's system with Doherty would force Zigmond to use an ad schedule instead of an on-demand ad-selection process as disclosed, fundamentally changing the manner and principle under which Zigmond operates: selecting the ad that is best suited for insertion at or near the time of insertion. Applicants respectfully submit that steps 110 – 122 (see Fig. 6 of Zigmond) make it abundantly clear that Zigmond selects ads one at a time, just prior to insertion of that ad within the programming – not in advance. Such a process would not work with a schedule or queue. By definition as well as common sense, adding a pre-defined schedule (i.e., Doherty) to a system that is designed to operate "on-demand" (i.e., Zigmond) completely changes the purpose and manner of operation of the on-demand system. That is, it is impossible to have both a system that utilizes a pre-defined ad schedule and that selects ads on-demand. At such, a modification of Zigmond with Doherty is improper.

Proposed Combination Lacks Common Sense

Since Zigmond's system already has the ability to select the desired advertisement(s) "on demand", there is absolutely no need for a schedule or queue as proposed by the Examiner. There is simply no reason to add a schedule of ads to Zigmond's system. The whole purpose of Zigmond's ad selection and insertion system is to be able to select the ad that is best suited for insertion at or near the time of insertion – not prepare a schedule of ads in advance as advocated by Doherty and the Examiner. As such, one skilled in the art would not think to add a schedule that includes a priority selection system as taught by Doherty to Zigmond's system. Due to these conflicting teachings, the combination of the Zigmond and Doherty is not a product of "common sense," as required by *KSR*.

In addition, Applicants respectfully submit that the Examiner has not established, nor is there, a reason or an objective teaching in Zigmond, Doherty or in the knowledge generally available to one of ordinary skill in the art that suggests the desirability of combining these references. The Examiner has merely suggested that one of ordinary skill in the art would combine Doherty with Zigmond to "better control the output and updating of advertisements," and "allowing the system provider additional revenue while allowing advertisers to control the display of their advertisement as desired" (Final Office Action, page 6). However, such a teaching or motivation is not found in any of the references. Merely pointing out the existence of particular teachings in one reference is not sufficient to establish that there would be a motivation to combine that reference with another. The burden is on the Examiner to provide a convincing line of reasoning, based on knowledge generally available to one of ordinary skill in the art, established scientific principles or legal precedent, that there would have been a motivation to combine Zigmond and Doherty. *See* MPEP 2144.

Moreover, there is no suggestion or any objective teaching in Zigmond to suggest the addition of an ordered list or queue to Zigmond's system, nor would one skilled in the art necessarily think to add a schedule or queue to Zigmond's system, as taught by

Doherty. Zigmond's system does not need nor contemplate the need for an ordered list or queue of advertisements.

Zigmond Teaches Away from Doherty

The Examiner alleges that "one [of] ordinary skill in the art would have been clearly motivated to combine Zigmond and Doherty's system, as both systems provide for targeted advertisements wherein advertisers may pay to control the presentation of their advertisements." (Office Action, pg. 5). The Examiner reasons that "Doherty discloses a system wherein multiple advertisements are to be displayed," and that one of ordinary skill in the art would have found it obvious to combine Zigmond's system with this concept of Doherty. However, Zigmond, on its face, disagrees with the Examiner's assertion. When discussing the prior art, Zigmond took into account "a system wherein multiple advertisements are to be displayed", *but specifically did not follow this concept in his invention*. Figs. 2A and 2B of Zigmond (items 20 and 34 respectively) – acknowledged by Zigmond to be prior art – clearly show a list of multiple advertisements pre-selected for insertion and display. In discussing these figures, Zigmond states, "in Fig. 2A, a series of advertisements 20 are included at a predetermined time in programming feed 38." Yet, with this knowledge of the prior art, Zigmond teaches a system that, in the Examiner's words only includes "selecting a single advertisement," i.e., Zigmond's system of selecting a single, targeted advertisement for display based on selection criteria. (Office Action, pg. 3). It cannot be viewed that one of ordinary skill in the art would have found it obvious to add multiple pre-selected advertisements to Zigmond, when Zigmond itself had this knowledge and specifically chose a system that is directed to "selecting a single advertisement" at the instant of insertion – not multiple ads from an ordered list or queue. Accordingly, Zigmond teaches away from the schedule concept of Doherty and is therefore not properly combinable with Doherty.

In dismissing Applicants' arguments concerning the reason to combine the references, the Examiner has selectively considered the ad selection system taught by Zigmond and ignored the context in which it functions. The Examiner has seemingly ignored the "Basic Considerations Which Apply to Obviousness Rejections," that instruct

the Examiner that "[t]he references must be considered as a whole and must suggest the desirability and thus the obviousness of making the combination," (see MPEP 2141). Further, MPEP 2141.02 instructs that "A prior art reference must be considered in its entirety, i.e., as a <u>whole</u>, including portions that would lead away from the claimed invention."

Accordingly, the Examiner's proposed combination of Zigmond and Doherty is improper. Thus, independent claim 1 is believed to be allowable over the combination of Zigmond and Doherty.

For the same reasons discussed above with respect to independent claim 1, the combination of Zigmond and Doherty does not teach or suggest all of the elements of independent claims 60, 79 and 97. Accordingly, independent claims 60, 79 and 97 are believed to be allowable over Zigmond and Doherty, both individually and in combination.

Dependent claims 2, 7, 8, 10, 12-18, 62-78, 80-96 and 98-105 are allowable at least by their dependency on their respective independent claims 1, 60, 79 and 97. Claims 66 – 67 have been canceled. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 1, 2, 7, 8, 10, 12-18, 60 and 62-93 over Zigmond in view of Doherty are respectfully requested.

The Examiner has rejected claims 3-6 and 9 as being unpatentable over Zigmond, and Doherty, and further in view of U. S. Patent No. 6,505,169 to Bhagavath *et al.* ("Bhagavath"). As discussed above with respect to the Examiner's obviousness rejection over Zigmond and Doherty, independent claim 1 is believed to be allowable over the combination of Zigmond and Doherty. Applicants respectfully submit that Bhagavath does not teach or suggest any of the elements missing from such combination. Thus, independent claim 1 is believed to be allowable over the combination of Zigmond, Doherty and Bhagavath. Accordingly, claims 3-6 and 9 are allowable at least by their dependency on independent claim 1. Reconsideration and withdrawal of the Examiner's
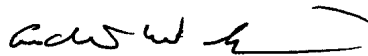
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section 103(a) rejection of claims 3-6 and 9 over Zigmond, Doherty and Bhagavath are respectfully requested.

Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's rejections have been overcome, and that the application, including claims 1-10, 12-18, 60, 62 – 65 and 68 – 105, is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejections and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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